



State of Utah

Department of Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
David K. Stevens, Ph.D.
Richard W. Sprott
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

MINUTES OF THE DRINKING WATER BOARD TELECONFERENCE HELD ON AUGUST 2, 2007 IN SALT LAKE CITY, UTAH

Board Members Present

Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice Chair*
Jay Franson
Paul Hansen
Petra Rust
David Stevens, Ph.D.
Ron Thompson

Board Members Excused

Ken Bassett
Daniel Fleming
Helen Graber, Ph.D.
Richard Sprott

Staff

Ken Bousfield
Ken Wilde
Steve Onysko
Kim Dyches
Bob Hart
Linda Matulich

Guests

Ed Hansen, Magna Water
Leisle Lane, Magna Water
Dale Pierson, Rural Water Association
Randy Taylor, P.E., District Engineer
Marc Edminster, Lewis Young
John Futton, Various Water Companies
Shariyo Patwardhan, Various Water Co.

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened via Teleconference in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 3:00 p.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 6 members present.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – MAGNA WATER COMPANY/DISTRICT

Ken Wilde reported the Magna Water Company District's water improvement project is scheduled to close on August 7, 2007 for \$12.1 million in loans authorized by the Water Quality Board and the Water Resource Board. The Magna Water Company District has acquired \$25,640,000 in funding which includes some of their own contributions. The Magna Water Company District is approximately \$503,771 short of having the money they need for the project.

Ken Wide reported the Magna Water Company District closed a \$1,000,000 loan in 1997 with the Drinking Water Board. The Magna Water Company District agreed to establish a Repair and Replacement Reserve Fund, and build it up to have about \$2.5 million in the fund. The Magna Water Company District has \$1.2 million in the Repair and Replacement Fund right now. The Magna Water Company District needs a letter from the Drinking Water Board stating they may use the \$504,000 from the Repair and Replacement Fund, leaving them about \$700,000 left in Fund. The Magna Water Company District also requested that the Drinking Water Board allow them to use the \$700,000 balance to cover contingencies, if needed.

Ed Hansen addressed the Board.

Ken Wilde said the proposal is for the Drinking Water Board to authorize the Magna Water Company District to use \$503,771 from the Repair and Replacement Reserve Fund to pay for the actual construction.

Ken Wilde reviewed the staff recommendations with the Drinking Water Board. Ken Wilde mentioned the second sentence in item # 1 could be deleted, reviewed the funding request in item # 2, and the last sentence in item # 3 may not be needed.

Discussion followed.

Paul Hansen moved the Drinking Water Board: 1) Authorize the Magna Water Company (District) to spend \$503,771 from their 1997 Repair and Replacement Reserve Fund for construction of the Water Treatment Plant Project. 2) Not set a limit on the balance of the Repair and Replacement Reserve Fund, but allow the District the option to use the remaining reserve funds as needed on the project, however require that the District submit payment requests to the Board for approval. 3) Require the District to continue building up the Repair and Replacement Reserve Fund at a rate of 5% (of its drinking water system operation and maintenance budget) annually, as required by the 1997 bond. 4) Require the District to use interest earned on Drinking Water Board funds on the project only and not on any "non-project" facilities.

Ronald Thompson seconded.

Chairman Erickson asked for a roll call vote:

**Ann Erickson – Yes Paul Hansen – Yes Ron Thompson – Yes
Myron Bateman – Yes Petra Rust – Yes Jay Franson – Yes David Stevens – Yes**

**CARRIED
(Unanimous)**

ITEM 5 – BODY POLITIC ISSUE

Ken Bousfield introduced the Body Politic issue, by referring to an e-mail Fred Nelson sent to the Board members an attached copy of the Attorney General's opinion on proceeding with the Rule requiring a Body Politic for water systems. Ken also mentioned that the Attorney General's opinion should be held confidential since there may be some questions relative to the authority of agencies other than that held by the Board and staff.

Ron Thompson mentioned in light of some of the legal issues brought up on the proposed Body Politic Rule, the Board should hold an Executive meeting to discuss the issues and not do this in an open meeting.

Discussion followed.

Jay Franson moved the Board hold an Executive Meeting before the Board meeting at 1:00 p.m. on September 14, 2007 to discuss the legal issues on the Body Politic Rule.

Ron Thompson seconded.

Chairman Erickson asked for a roll call vote:

**Anne Erickson – Yes Paul Hansen – Yes Ron Thompson – Yes
Myron Bateman – Yes Petra Rust – Yes Jay Franson – Yes David Stevens – Yes**

**CARRIED
(Unanimous)**

ITEM 6 – NEXT BOARD MEETING

The next Board meeting will be held on September 14, 2007 at Jordan Valley Water Conservancy District. There will be a tour of Jordan Valley's water conservation garden, an Executive Board Meeting, lunch, and the Board meeting.

ITEM 7 – OTHER

Kim Dyches updated the Board on the flooding in the Gunlock area.

ITEM 8 – ADJOURN

Chairman Erickson stated a motion to adjourn the Board meeting would be in order.

Jay Franson moved to adjourn the Drinking Water Board meeting at 3:45 p.m.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary